FBIS DAILY REPORT CONTENTS

Latin America

Vol VI No 160 *17 August 1978*

INTER-AMERICAN AFFAIRS

Uruguayan President Opens FAO Conference	A	1	1/A5
Chile's FAO Delegate Opposes Agrarian Reform	A	1	1/A5

ARGENTINA

Foreign Ministry Issues Communique on Talks With Chile	B	1	1/A6
Agency Reports Inexact	B	1	1/A6
AFP Account	B	1	1/A6
Argentina Ready To Resume Parana Talks With Brazil, Paraguay	B	2	1/A7
Economy Ministry Discloses Major Steel Pipe Deal With PRC [LA NACION 15 Aug]	B	2	1/A7
Admiral Lambruschini Dispels Resignation Rumors	B	2	1/A7

BOLIVIA

UMSA Teachers, Students Begin Hunger Strike	C	1	1/A8
Pereda Refuses To Withdraw Troops From Mines	C	1	1/A8
Banzer Advocates Elections Within 1 Year	C	1	1/A8

BRAZIL

Brazilian-U.S. Businessmen's Council Meets in Ri	D	1	1/A9
Protectionism Issue [O GLOBO 15 Aug]	D	1	1/A9
U.S. Countervailing Tariffs [JORNAL DO BRASIL 15 Aug]	D	1	1/A9
Restrictions on Foreign Capital [O GLOBO 15 Aug]	D	2	1/A10
Session Ends	D	3	1/A11
Industry, Commerce Minister Discusses Frost Damage to Coffee	D	3	1/A11

CHILE

Border Talks With Argentina Unexpectedly Interrupted	E	1	1/A13
Relations Called Normal	E	1	1/A13
Foreign Ministry Statement	E	1	1/A13
New Draft Constitution Delivered to Pinochet	E	2	1/A14
Pinochet Comments	E	3	1/B1

COLOMBIA

Exporters Request Cautious Coffee Policy	F	1	1/B3
Military Studying Subversive Plan in Santander	F	1	1/B3
Authorities Uncover Terrorist Plot in Bogota	F	1	1/B3

PARAGUAY

President Stroessner Interviewed on Future Plans [ULTIMA HORA 15 Aug]	H	1	1/B4
Opposition Issues Communique on Stroessner's Inauguration [ABC COLOR 14 Aug]	H	2	1/B5

PERU

Striking Mineworkers Hold Demonstration in Lima J 1 1/B6
Energy Minister Says Miners Strike Generating Chaos J 1 1/B6

VENEZUELA

Interior Minister Says He Will Step Down Soon L 1 1/B7
SIDOR President Reports on Growth of Steel Consumption L 1 1/B7
Briefs: Measures Against Swine Fever L 1 1/B7

PANAMA

High-Level Political Parties Commission To Meet Next Week N 1 1/B8
[LA ESTRELLA DE PANAMA 16 Aug]
Liberals Name Representatives [LA REPUBBLICA 14 Aug] N 1 1/B8
Poland Interested in Establishing Shipyard in Vacamonte N 1 1/B8

CENTRAL AMERICA

COSTA RICA

Interior Minister Announces Security Office Changes P 1 1/B9

EL SALVADOR

BPR Members Occupy School in San Vicente P 1 1/B9
Kidnap Victim Reported in Good Health P 1 1/B9
Peruvian Mediator Visits President Romero P 2 1/B10
Christian Democrats Deny Links With FARN P 2 1/B10

NICARAGUA

Construction Workers Stage Sympathy Strike P 3 1/B11
Group of 12 Publishes Political Program [LA PRENSA 9 Aug] P 3 1/B11

CUBA

Minister Addresses UN Conference, Denounces Racism in U.S. Q 1 1/B13
Rodriguez Emphasizes Nonalined Meeting's Significance [Madrid EL PAIS 12 Aug] Q 2 1/B14

DOMINICAN REPUBLIC

Guzman Outlines Government Policies at Inauguration R 1 1/C1
President Guzman's New Cabinet Announced R 6 1/C6
Other New Appointments R 6 1/C6

Hem-856-B-5 PrEx 7.10:FBIS-LAT-78-160

FBIS-LAT-78-160
Thursday
17 August 1978
Vol VI No 160

DAILY REPORT

COMPLETED
ORIGINAL

LATIN AMERICA

Available for Distribution
From NTIS

35

FBIS FOREIGN BROADCAST INFORMATION SERVICE

This publication contains current news and commentary monitored by FBIS from foreign broadcasts, news agency transmissions, newspapers, and periodicals. Items are processed from the first or best available source; it should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign-language sources are translated by FBIS. Those from English-language sources are transcribed, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [ ] are supplied by FBIS. Labels such as [Text] or [Excerpts] in the first line of each item indicate how FBIS processed the information from the original. Names rendered phonetically or in transliteration are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clearly heard but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source.

Users of this publication may cite FBIS provided they do so in a manner clearly identifying it as the secondary source. For example: "FBIS reports that Radio Moscow announced . . ." or "FBIS has monitored a broadcast from Hanoi which says . . ."

This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government.

URUGUAYN PRESIDENT OPENS FAO CONFERENCE

PY151909Y Montevideo Cadena de Oro del Interior in Spanish 1600 GMT 15 Aug 78 PY

[Summary] With the attendance of civilian and military officials and delegations of participating countries, the FAO [UN Food and Agriculture Organization] 15th regional conference opened this morning at the municipal palace in Montevideo. Uruguayan President Aparicio Mendez spoke at the opening session and said that Uruguay is one of the countries in a relatively good condition to contribute to the solution of food production crises.

The FAO director general opened the conference by thanking the city of Montevideo for hosting this conference, which will deal with the problems of expanding agricultural production in Latin America and adding that the FAO will always be willing to provide Latin American countries all possible technical assistance as far as food production is concerned. In his speech, President Mendez said: "The Uruguayan Government recently promulgated a package of resolutions and measures aimed at updating the traditional system of agricultural production, giving priority to the primary sector by following a philosophy of free enterprise and by doing away with a negative and narrow protectionism." The Uruguayan president then noted the contrast between resources allotted to armaments and those apportioned to food production, concluding, "no wonder there is malnutrition in the world."

The session then proceeded to the appointment of the president, vice president and secretary of the conference, which will begin its actual work this afternoon at 1500. The conference will continue through Saturday and will take up problems in rural and agricultural development and agrarian reform in this region.

CHILE'S FAO DELEGATE OPPOSES AGRARIAN REFORM

PY151538Y Paris AFP in Spanish 1342 GMT 15 Aug 78 PY

[Excerpt] Buenos Aires, 15 Aug--Chilean Agriculture Minister Alfonso Marquez de la Plata made a statement here today opposing agrarian reform. The minister is passing through Buenos Aires on his way to attend FAO conference in Montevideo. The Chilean minister said his country has gone through the experience of agrarian reform and has suffered its consequences.

He added that the United Nations' Food and Agriculture Organization [FAO] "is a technical organization dedicated to solving the world's food problems. Chile hopes that it will retain its technical nature, and not become a political instrument." Finally, he stated that, during the last 5 years, his country has been making great efforts to overcome the extreme poverty of the small-scale sector--that is, small property owners who have been ignored because they were not politically important figures.

FOREIGN MINISTRY ISSUES COMMUNIQUE ON TALKS WITH CHILE

PY162124Y Buenos Aires TELAM in Spanish 2106 GMT 16 Aug 78 PY

[Communique released by the Argentine Foreign Ministry in Buenos Aires on 16 August 1978]

[Text] The heads of the delegations of the Argentine and Chilean commission created to negotiate the Puerto Montt Act report that during the negotiations just held in Buenos Aires, the two parties exchanged basic positions related to border demarcation which required thorough study. Therefore, the heads of the two delegations agreed to examine these positions in order to inform their respective governments.

Signed: Brig Gen Ricardo Etcheverry Boneo (ret) and Ambassador on Special Mission Francisco Orrego Vicuna, heads of the Argentine and Chilean delegations, respectively.

Agency Reports Inexact

PY161851Y Buenos Aires TELAM in Spanish 1830 GMT 16 Aug 78 PY

[Text] Buenos Aires, 16 Aug--Official spokesmen have termed as inexact the reports filed by some news agencies regarding an alleged interruption of the Argentine-Chilean negotiations aimed at finding a peaceful solution to the conflict between the two countries over sovereignty in the extreme south of the continent. It was also stated that a joint communique would be issued today.

AFP Account

PY161913Y Paris AFP in Spanish 1836 GMT 16 Aug 78 PY

[Text] Buenos Aires, 16 Aug--A reliable source from the Chilean Embassy here has indicated that the talks by the Argentine-Chilean mixed commission No 2 on the Beagle Channel were interrupted today when the Chilean delegation returned to Santiago.

The commission's meetings, the fifth round of talks on the boundary issue, began on Tuesday only through contacts between work groups and talks between the presidents of the two delegations, but no plenary meeting was held.

The same Chilean diplomatic source attributed the unforeseen interruption in the negotiations to an Argentine proposal for an interval in the talks.

This long recess [recreo], as the spokesman called it, was apparently proposed so that each commission could study the suggestions of the various groups which deliberated separately on Tuesday.

The spokesman said the proposal was presented this morning by the head of the Argentine delegation, General Etcheverry Boneo, to his Chilean colleague, Francisco Orrego Vicuna, during talks they held in a downtown hotel.

A similar closed-door meeting was held between the two negotiators on Tuesday at the same place. Meanwhile, the members of the commission met separately in what was called a round of informal consultations.

Observers' attention was attracted by the fact that no plenary session was held, and the meetings were conducted by different groups at different places. Usually the talks are held at the Chilean Embassy here.

The Chilean source said that the return of his country's delegates to Santiago means that the request made by Argentina for a recess was accepted.

ARGENTINA READY TO RESUME PARANA TALKS WITH BRAZIL, PARAGUAY

PY1614411Y Buenos Aires Domestic Service in Spanish 1230 GMT 16 Aug 78 PY

[Excerpts] The under secretary of foreign relations, Capt Gualter Allara, stated yesterday in Asuncion that Argentina will not reject documents presented proposing a meeting among the foreign ministers of Argentina, Brazil and Paraguay to discuss the compatibility of the Corpus and Itaipu hydroelectric plants, which earlier had been unilaterally suspended by Itamaraty. The Foreign Ministry official is in Asuncion, Paraguay, attending the ceremonies planned for the inauguration of another presidential term for Gen Alfredo Stroessner.

Captain Allara stated that he is convinced the negotiations with Brazil and Paraguay could resume within the near future. He added that the Argentine Government is ready to continue with the talks whenever the three countries reach an agreement to do so. He emphasized that no decision or agreement to this effect has yet been reached.

ECONOMY MINISTRY DISCUSSES MAJOR STEEL PIPE DEAL WITH PRC

PY1620101Y Buenos Aires LA NACION in Spanish 15 Aug 78 p 11 PY

[Text] The Argentine Economy Ministry has reported that Calmine Siderca S.A. has closed a deal with the PRC enterprise Minmetals to export 21,500 tons of seamless steel pipes for oil ducts.

These steel pipes will be manufactured according to the specifications of the American Petroleum Institute and will be shipped in two lots in October and November.

The Economy Ministry indicated that the initial talks had been carried out by the Argentine Embassy in Peking and the mission headed by Economy Minister Martinez de Hoz. The final negotiations were carried out by the two enterprises involved in the deal.

It was pointed out that this is the first export of this kind to the PRC and that it opens "a new market of great significance for national products, especially if we take into account that the USSR, the United States and the PRC are the main importers of steel pipes in the world."

ADMIRAL LAMBRUSCHINI DISPELS RESIGNATION RUMORS

PY1618551Y Buenos Aires Domestic Service in Spanish 1600 GMT 16 Aug 78 PY

[Text] Cordoba--A local newspaper today published a statement made by Vice Adm Armando Lambruschini, the navy chief of staff. During the interview, Admiral Lambruschini stated that there are some sectors which are interested in destroying the unity among the armed forces.

During another portion of the interview, concerning his possible resignation, the naval chief indicated: I am not surprised by these rumors since there are persons who even speculate on another's suffering. The misfortune which we have and are still enduring can in no way encourage me to abandon my post. As has been said repeatedly, my post forces me to achieve a final victory because I was not made to be served but rather to serve the fatherland.

Admiral Lambruschini later stated: With the help of my friends and comrades, I know that I will soon recover my spirits to assume the post of commander in chief completely invigorated and ready to continue as a member of the Argentine Navy in the mission it fulfills as guardian of the nation's sovereignty and internal peace.

UMSA TEACHERS, STUDENTS BEGIN HUNGER STRIKE

PY161355Y La Paz Radio Panamericana Network in Spanish 1130 GMT 16 Aug 78 PY

[Excerpts] Representatives for teachers and students of the honorable university council and leaders of the interfaculty committee began an indefinite hunger strike last night when the deadline expired which had been set for the government to solve the problems at the Greater University of San Andres [UMSA].

UMSA teachers and students had a meeting with the interior minister yesterday at noon and submitted a formula for the election of the new rector in order to reach a definitive agreement. According to reports by members of the university council, Interior Minister Faustino Rico Toro maintained the government position to reopen the UMSA with Rector (Walter Kaune), a proposal which was rejected. In view of this, the interior minister said that the proposals of teachers and students would be submitted to the National Council of Higher Education which would need at least 48 hours to study the subject.

PEREDA REFUSES TO WITHDRAW TROOPS FROM MINES

PY161435Y La Paz Radio Panamericana Network in Spanish 1130 GMT 16 Aug 78 PY

[Excerpt] Gen Juan Pereda, president of the republic and commander in chief of the armed forces, yesterday presided over two meetings of the high military command at Miraflores headquarters. It was attended by the commanders, chiefs of staff and other high officers of the army, air force and naval force.

At about 1830 Gen Pereda was interviewed by newsmen as he was leaving the armed forces headquarters building. He stated that the position and request made by the Bolivian Federation of Newspaper Workers regarding the withdrawal of the troops stationed in the mining districts was discussed yesterday. Regarding this subject, he said that the armed forces will remain at the mines and at any other point of the country, since they have a sovereign right to be there.

He said that it had been decided to send instructions to all units stationed in towns near the mining districts to conduct themselves in a manner conducive to cordial relations with the workers.

The first meeting began at 1000 and lasted until after 1300. There was a new meeting at 1500, lasting until after 1800. Gen Pereda told the newsmen that a specifically military analysis of the internal order of the armed forces was made at the two meetings. He also said that the armed forces personnel law was discussed, a document which will be submitted to the cabinet for approval after a revision. He reported that other matters of an internal character had also been discussed.

BANZER ADVOCATES ELECTIONS WITHIN 1 YEAR

PY161511Y La Paz Radio Panamericana Network in Spanish 1130 GMT 16 Aug 78 PY

[Excerpt] Gen Hugo Banzer Suarez said yesterday that he was in favor of the next elections being held within a year's time and that those who have held the posts as presidents and vice presidents should not be allowed to run as candidates. If possible, military men on active service and in the reserve should also be excluded.

Banzer made his statements yesterday morning at El Alto International Airport just before leaving for Cochabamba. They were the former president's first statements after he resigned from the presidency on 21 July because of the uprising which Gen Pereda had begun a few hours earlier.

BRAZILIAN-U.S. BUSINESSMEN'S COUNCIL MEETS IN RIO

Protectionism Issue

PY161527Y Rio de Janeiro O GLOBO in Portuguese 15 Aug 78 p 22 PY

[Text] At the opening of the third joint meeting of the Brazilian-U.S. Businessmen's Council, the president of the Brazilian section, Marcus Vinicious Pratini de Moraes, decried the rising protectionism in world trade relations.

Pratini said: "The time is not the best for the multilateral negotiations in Geneva because most of the participating countries are still suffering the effects of the oil price rise on their balance of payments. Although many countries have managed to recover by resorting to financial and monetary instruments to bring their foreign accounts into balance, the truth is that sectors of their industries are still limping and this has triggered protectionist pressure. The negotiations aimed at reducing tariffs unfortunately are being conducted at a time of rising protectionism."

The following are the main points Pratini de Moraes brought out in this speech:

"I consider export incentives as a temporary instrument to correct distortions in trade.

"In fact, any possible change in our trade policy to bring our trade practices into line with legal norms set down by international organizations and by the U.S. trade law has been delayed due to problems with our balance of payments created by the oil crisis. The results of our trade policy reflect, in economic terms for Brazil, a situation which is the closest possible to a situation of free trade. Economically, therefore, our incentive program is a legitimate form of trade policy. In view of the predicament with our balance of payments, it is understandable that our government should be cautious in changing the financial instruments being applied to both exports and imports.

"The magnitude of fluctuations in the value of the dollar outweighs by far any effect which the reduction of tariff barriers may produce. Just to have an idea of the order of magnitude of these two phenomena, we should recall that we are witnessing fluctuations of the dollar exchange rate regarding other currencies on the order of 20 to 30 percent, while a 40 percent reduction in tariff barriers, in countries where custom barriers average about 10 percent, is being sought in Geneva.

"It has to be recognized that a great deal of responsibility for this situation goes to the performance of the U.S. economy itself. If the economic significance of the negotiations is nil at this time, it is important to recall that part of the blame for this defict has been placed on trade practices which are considered unfair, such as dumping or export subsidies. Brazil has been singled out by sectors in the United States as partially responsible for the U.S. balance of payments deficit and for crises in some U.S. industrial sectors which are believed to be hurting because of the incentives Brazil grants to its exports."

U.S. Countervailing Tarriffs

PY162102Y Rio de Janeiro JORNAL DO BRASIL in Portuguese 15 Aug 78 p 20 PY

[Text] "If a formula is not found for postponing the application of countervailing tariffs whenever the new U.S. trade law goes into effect, we are afraid that the export of textiles to the United States will be subjected to that tariff, which will represent a threat to foreign exchange revenues on the order of $120 million per year and a threat to the jobs of 15,000 people."

That statement was made by the director-president of Artex, Norberto Ingo Zadrozny, speaking to the Brazilian-U.S. Businessmen's Council yesterday about the request by workers of the United Unions of Textile and Clothing Industries of the United States to impose countervailing tariffs on Brazilian textiles.

He explained that the U.S. Treasury Department has time before 7 November to decide on that request, and that there is still the possibility that it may grant a postponement (waiver) on the application of those tariffs.

Zadrozny, added: "It so happens that the authority of the Treasury Department in this matter will end on 2 January 1979, the date when the new U.S. trade law goes into effect, and any negotiations previously concluded will no longer be valid until the U.S. Congress approves it."

According to Zadrozny, "no agreement was sought earlier because we had been waiting for a new incentive code under GATT by this past 15 July. But since no agreement has been reached for approval within GATT, we find ourselves unable to make a decision based on the new situation which will be created by the new law."

The Brazilian industrialist believes that the only solution--which he presented as a motion to the council--is to extend the authority of the U.S. Treasury Department until the GATT incentive code is ready and until Brazilian laws can be changed to suit the GATT code.

Restrictions on Foreign Capital

PY162251Y Ric de Janeiro O GLOBO in Portuguese 15 Aug 78 p 22 PY

[Excerpts] Speaking to the participants in the meeting of the Brazilian-U.S. Businessmen Council yesterday, Planning Minister Reis Velloso said that the Brazilian Government policy toward foreign capital is not restrictive: "Between a policy of leaving Brazilian private enterprise at the mercy of foreign enterprise and a policy of restricting foreign capital, which would discourage foreign investment, we chose to drive down the middle, searching for a balance among national private enterprises, state enterprise and foreign private enterprise."

Referring to the restrictions by developed countries on the transfer of new technology, Velloso said that "when problems come up in the international steel market or in any other area, no one should ever think of curbing the transfer of technology, because this is much worse than placing restrictions on trade and because it is detrimental to international economic efficiency."

Velloso said that the choice Brazil made reflects a positive approach which does not discriminate against foreign capital: "We only try to support national enterprise through long-term financing and assistance to acquire the best technology available and improvement of management methods. And we do so because we believe that national private enterprise has to be provided with those factors necessary to make it viable.

"This is a positive approach which implies no discrimination. In general, income tax laws, taxes on manufactured goods and tax on movement of merchandise are the same for national and foreign enterprises. The financing of working capital is no different for national and foreign enterprises. We only try to persuade foreign companies to seek long-term financing abroad because there is no reason for the official financing system to assist them with that type of credit. In this respect, however, we have not done anything new, because the policy has been essentially the same since long before 1964. The only difference is that today we have better legal instruments.

Answering criticism of prior deposit on imports raised by a U.S. businessman, Velloso said that "only 20 percent of Brazilian imports have to make the deposit in full, while 80 percent receive a reduction or even exemption. The proper time to eliminate the deposit will depend on the performance of our commercial account."

Velloso continued: The policy of reducing imports of basic material is in line with the solution of another problem--namely, the need to avoid an excessive foreign debt.

Obviously in the present stage of U.S.-Brazilian relations, trade is on the top of the economic agenda between the two countries.

Or, speaking more directly, the question of countervailing tariffs and other devices in the trade act are potential threats to our exports of manufactured goods.

Either through GATT or through bilateral negotiations, we must clearly define the conditions so that the Brazilian exporter will have a good chance for his investment to produce goods in which we have shown or are showing competitive ability.

To that effect, we have repeatedly said that recognition of the "effective damage" clause is important, just as is the granting of a period for adjustments whenever that clause has been applied by mutual consent.

It is never repetitious to say that the international division of labor only makes sense as a dynamic process. Emerging countries like Brazil need special support during the period they are beginning to become exporters of manufactured goods.

Protecting senile industries in developed countries is not only a political mistake, but a disservice to their domestic consumers, who are deprived of the comparative advantage of a dynamic international economy which can produce more efficiently in any given country.

Session Ends

PY170227Y Brasilia Domestic Service in Portuguese 2200 GMT 16 Aug 78 PY

[Text] The third plenary meeting of the Brazilian-U.S. Businessmen's Council concluded today at the convention center of the Othon Palace Hotel in Rio de Janeiro. The meeting was attended by 150 specialists who discussed industrial policies and economic and trade problems between the two countries.

The working group which had discussed the financing of economic growth reported on the status of the Brazilian foreign debt and outlined positions regarding the availability of foreign resources for Brazil in the future, emphasizing the significant role played by domestic savings. The report states that Brazil has been dealing with its foreign debt in an exemplary manner and that it has the best qualifications to continue obtaining funds on the international financial market.

The report concludes by stating that Brazil has built an excellent reputation on the international capital market by virtue of the competent management of its debt and of the ability it has shown to achieve economic development.

INDUSTRY, COMMERCE MINISTER DISCUSSES FROST DAMAGE TO COFFEE

PY161810Y Paris AFP in Spanish 0241 GMT 16 Aug 78 PY

[Text] Rio de Janeiro, 15 Aug--Angelo Calmon de Sa, Brazilian industry and commerce minister, stated here today that the frost which occurred in the last few hours in the southern region of Brazil has caused substantial damage to coffee crops.

In a statement to journalists, the Brazilian minister added that the 1978-79 coffee harvest will consequently experience a substantial decrease. He noted that the low temperature registered in the southern region of the country constitutes a serious threat to coffee crops.

Regarding the decision to suspend the sales registry for coffee exports, which was announced today by the Brazilian Coffee Institute, the minister said that this measure will be enforced until a complete evaluation of the damages caused by the frost is finished.

He added that a new minimum export price for coffee will be fixed later in accordance with the international market situation.

Furthermore, he said that the lack of coffee stocks in Brazil will make it impossible to absorb the consequences of the losses caused by the frost no matter how small these losses are.

The minister said that a decrease of 4 or 5 million 70-kg coffee sacks will be enough to break the precarious balance which exists today in the supply and demand of coffee despite the fact that in absolute numbers this may seem small because there are no stocks.

He noted that the sales registry for coffee exports will be reopened only after there is specific information about the damage caused by the frost.

He stated that the low temperature, icy winds and minor frosts were enough to affect the coffee plantations which were in bloom and that the buds were very burned, thus causing substantial damage to the harvest.

The minister noted that the damage caused to the harvest will not affect the 1978 Brazilian coffee exports, which are estimated at 11 to 12 million 70-kg sacks.

He added that next year "unfortunately we will be unable to increase the volume of coffee exports as we had anticipated. This is something which concerns us very much."

Moreover, institute president Camillo Calazans de Magalhaes stated here today that according to official estimates the next coffee harvest, which had been estimated at about 22 million 70-kg sacks, will experience a decrease of 15 to 20 percent as a result of the frosts in the states of Parana and Sao Paulo.

Calazans added that these frosts are the classic frosts which either destroy or damage part of the harvest, but which do not destroy the plant itself as happened in July 1975.

He noted that only by Thursday or Friday of this week will it be possible to evaluate the losses caused by the frosts in Parana and Sao Paulo states.

According to some coffee producers and exporters, this evaluation will conclude in 7 days, and they add that the losses for the next harvest will be from 30 to 40 percent of the volume estimated prior to this frost.

Brazilian President Ernesto Geisel suspended a meeting of the Social Development Council which was to be held tomorrow in Brasilia and called on all ministers in the economic field to make a preliminary evaluation of the impact of the frost damage on national agriculture, particularly to the coffee and wheat crops.

Sao Paulo specialists estimated that the low temperatures registered in the last days, particularly in the southern and western regions, will cause a 10-50 percent decrease in the coffee harvest. According to forecasts issued by the meteorological service, there will be low temperatures and probably new frosts early Wednesday morning in the states of Sao Paulo, Santa Catarina, Parana and Rio Grande do Sul.

BORDER TALKS WITH ARGENTINA UNEXPECTEDLY INTERRUPTED

PY161919Y Santiago Chile Domestic Service in Spanish 1730 GMT 16 Aug 78 PY

[Excerpts] The Chilean-Argentine border talks were interrupted today. The Chilean delegation, headed by Professor Francisco Orrego Vicuna, is now arriving at Santiago's Pudahuel Airport aboard a Varig airliner.

Reports from Buenos Aires had noted that the Chilean delegation (?had not) contacted its Argentine counterpart, which is headed by Gen Ricardo Echeverry. [passage indistinct] These negotiations were scheduled to end on Friday.

Regarding the unexpected return of the Chilean delegation, which is part of the joint Argentine-Chilean commission in charge of discussing the demarcation of southern maritime borders, Gen Rene Vidal, the government secretary general, has confirmed that the Chilean Foreign Ministry this afternoon will issue a detailed report on this issue: [begin Vidal recording] Chile has always maintained at all times, in accordance with the agreement established at Puerto Montt, the position of searching for the best and most definitive solution for reaching an understanding regarding the maritime space involving those territories in the area which were put under Chilean sovereignty by the Beagle decision. [end recording]

Relations Called Normal

PY162024Y Santiago Chile Domestic Service in Spanish 2000 GMT 16 Aug 78 PY

[Text] Argentine Ambassador to Santiago Hugo Mario Miatello stated here today that the negotiations between his country and Chile continue; he assigned no significance to the fact that the fifth round of talks closed before schedule. Miatello also indicated that Chilean-Argentine relations are absolutely normal. In the meantime, Foreign Minister Hernan Cubillos is currently holding a meeting with the Chilean delegation which participated in the recent round of talks held in Buenos Aires and with other officials of the Foreign Ministry.

Foreign Ministry Statement

PA170215Y Madrid EFE in Spanish 0022 GMT 17 Aug 78 PA

[Text] Santiago, Chile, 16 Aug (EFE)--The Chilean Foreign Ministry asserted this afternoon that Argentina's attitude in the negotiations on border differences is incompatible with progress in the negotiations and with this country's sovereignty over all islands of the southern archipelago. A Foreign Ministry spokesman said that the early return to Santiago of the Chilean delegation to the second committee under the Puerto Montt Act was due to the fact that the Argentine delegation had insisted on positions "incompatible with progress in the negotiations, they being irreconcilable with the treaty of 1881, with the absolute validity of the arbitral findings, and with Chile's sovereignty over all islands of the southern archipelago."

The spokesman added that the position of Chile, as it has repeatedly said, has been and continues to be "that of negotiating the delimitation of marine areas in the southern region while emphatically rejecting pretentions that are not compatible with international law because they undermine the [principle of] unqualified respect for treaties and international rulings." "Chile's sovereignty," he said, "was confirmed once again by the recent message sent by the British Government to both parties on 8 August." The spokesman said that negotiations have now entered a period of evaluation, in which both governments will analyze the criteria presented by their respective delegations. Chile's delegation to the negotiations with Argentina, which is headed by lawyer Francisco Orrego Vicuna, in the category of special ambassador, returned to Santiago this afternoon.

NEW DRAFT CONSTITUTION DELIVERED TO PINOCHET

PY170259Y Santiago Chile Domestic Service in Spanish 2130 GMT 16 Aug 78 PY

[Speech by Enrique Ortuzar Escobar, president of the constitutional commission, upon delivering the draft constitution to President Pinochet at Government House in Santiago--live]

[Excerpts] When it took the command of the nation, the honorable military junta interpreted the needs of the people and made the patriotic commitment to restore trust, justice and institutionality. With this goal in mind, a few days later, the president assigned to this commission which I have the honor to preside over, the honorable and delicate task of preparing a draft constitution aimed at securing the destiny of Chile as a free and sovereign nation, so that progress could be achieved with the vigor and dynamism required at this time under a regime of authority and justice aimed at guaranteeing freedom and security for the people so that they could enjoy spiritual and material well-being.

We also have to realize that the problems we are now facing are quite different from the problems of the last century and the first half of this century, during which many of the constitutions for Western countries were written. The tragic and painful events which daily distress and agitate humanity, the totalitarian and terrorist violence which do not respect the most sacred rights of man, have clearly shown that democracy cannot survive along with a powerful enemy which infiltrates and corrodes its essential basis until it takes control, unless democracy adopts the necessary mechanisms to defend itself vigorously and effectively.

We believe that a nation cannot have legal order if it does not consider these events. These are external factors which did not exist before or did not have the great influence they now have over the different countries of the world, which can even endanger their sovereignty and freedom.

This new basic Chilean constitution which I am delivering to the president in this solemn ceremony responds to these great objectives. This draft contains two parts. The first part is of a general nature and includes the fundamentals of the new planned political regime, the principles or basic fundamentals of the new democracy, the legal instruments to preserve it and strengthen it, regulations regarding public and economic order and the basic principles regarding human rights. The second part is of a special nature. It refers to precise ideas under the various titles of the draft we are submitting to Your Excellency. This draft contains profound changes aimed at creating a modern and vigorous democracy. It has adequate legal instruments for protection against totalitarian infiltration and political demagogy which aims to destroy institutional order and which was so harmful to the country's economy.

Special importance is given to provisions which create new constitutional rights and which strengthen other minor rights which were seriously violated in the past, particularly since these rights aim to guarantee free initiative and the creative ability of man. In this regard, we must emphasize the rules related to public and economic order and the Central Bank, which is an autonomous organization in charge of monetary policies. We also paid great importance to the improvement of social and workers' rights. We must also mention the provisions regarding freedom and democracy, the rules aimed at separating political from union activity and establishing responsibilities for parliamentarians, including the people's participation in general and the profound changes in the structure and (?organization) of political parties. It also includes important changes in the president's powers in financial and economic matters, which have been considerably enlarged.

Other outstanding aspects of this draft constitution include the strengthening of the president's position, the new structure of Congress and the Senate, the creation of a high-ranking constitutional court in charge of maintaining constitutional supremacy and resolving conflicts between organizations of the state and stating the responsibility of anyone who attacks basic institutional order, regarding electoral justice, the role of the armed forces in national defense, the new organization of the government and the internal administration of the state, including the regionalization of the country, and many others. But as this is quite extensive I do not want to discuss it during this ceremony. It is all included in the draft, which also includes matters related to the judicial branch, comptroller general and other matters.

Mr President, honorable members of the government junta, in conclusion this commission would like to emphasize that it has carried out its task with complete independence and that all debates and analysis were done in complete freedom.

Pinochet Comments

FY170220Y Santiago Chile Domestic Service in Spanish 2130 GMT 16 Aug 78 FY

[Speech by President Pinochet on receiving draft constitution at Government House--live]

[Summary] "In this simple but meaningful ceremony the commission in charge of drafting the new constitution is delivering to the government the draft proposal for a new constitution, thus concluding the first stage of the process which is leading the country to its new constitutionality.

"This new landmark of historical significance constitutes a victory over the defeatism of the skeptics, a rejection of the demagoguery of the hasty, and a solid basis for our country's social, political and economic future.

"As I have said many times before, the current regime is gradually moving toward a new democracy without lapsing into either stagnation or hastiness. When the military takeover took place on 11 September 1973 we found a nation whose democratic development had reached the point of total political exhaustion and demanded the immediate drawing up of a new constitution in line with the reality of the nation and a broad process of political, social and economic (?reorganization). This required solid and secure bases.

"Taking into account the urgent need to have a constitutional instrument, the government appointed a group of first-rate experts in the matter. This constituent commission was entrusted with the drawing up of this significant document.

"In my speech launching this commission and in the note which I sent to it on 10 November 1975, I outlined the bases, the philosophy and the spirit of the political regime of the new Chilean institutionality which we have called authoritarian democracy.

"Among other things I gave special attention to the need of making significant changes in our constitution and indicated that power awakens ambitions which Marxism tends to take advantage of. I also added that Chile must create a supreme law which can control and protect law and public and legal security, and that the gains of our society must not be lost because the Chilean is a law-abiding man. This law clearly must establish his duties and rights." I also added that the main principles of our constitution must be preserved. These principles are the sovereignty of the nation, the rights of man, public order and security, etc.

"I think that while there are some Chileans who honestly and truly want to make only a few changes in the 1925 constitution, or contribute with a few ideas to this draft constitution, there are others whose unbridled lust for power leads them to view this draft as a means to attack the government. We shall not tolerate these attacks, regardless of their source.

"To those who honestly believe that it is necessary to return to old institutional forms, or to at least establish such a return as a firm goal, I would like to say that I believe that this would be leading the people into a process which would result, in a very short time, in the return of political parties and would give rise to elections in which the very essence of the nation would be at stake and which would unleash that violence which is the main characteristic of pluralism."

"Far from being a natural institutional status, formal democracy is an artificial creation of human thought. Natural laws means authority and authority is not the opposite of freedom but of anarchy. We Catholics believe that authority is natural because it comes from God and is part of His very nature. There are many who, without being Catholic, also believe that authority is natural because it is enough to put together a group of men for some sort of authority to develop naturally." Even formal democracy accepts the existence of authority. However, when this democracy becomes an enemy of authority, the latter breaks through all artificial restrictions with the full strength its natural status provides it.

"In sum, we want to institutionalize the overall will of the Chilean citizens which seeks to protect all those values jeopardized by corruption prevailing in the old democracy which, thanks to its ideological pluralism which was fertile soil for the Marxist-Leninist cancer. Within the framework of this pluralism the communists and the Marxist socialists mingle with the honest, disguised in the best democratic robes."

A government oriented toward common good, and especially a military government, cannot fail to continue preserving order, peace and cultural and spiritual development, in order to fulfill the principles established by a political system which has not been able to do so and has failed to withstand Marxist attacks.

"Gentlemen, I beg your pardon for having spent, on such an interesting subject, the [words indistinct] new constitution. However, I believe that it was necessary to outline them upon the attainment of this first landmark of historical significance. At the end of my speech I wish to express my gratitude to this constituent commission. I have closely followed the task which it has been performing with full independecne and within a perfectly legitimate pluralism of viewpoints. I have attended some of your talks and have seen that in spite of this pluralism, which is inherent in any human tasks, your talks have been guided, not only by a high sense of patriotism, but also by your faith in Chile.

"For this and for the care, the depth and the loftiness of your analysis I feel that it is my duty to convey the government's sincere acknowledgement to all the experts who have given this commission the best of their knowledge and efforts for the good of Chile. The unity of will between soldiers and civilians, based on their common status as Chileans, is and will continue to be the key to success in the building of this new Chile which will have in authoritarian democracy the appropriate lifestyle to become a great, sovereign, united nation, faithful to its deep love for freedom. Thank you." [applause]

EXPORTERS REQUEST CAUTIOUS COFFEE POLICY

PA160304Y Bogota Cadena Radial Super in Spanish 0000 GMT 16 Aug 78 PA

[Text] Bogota--Following reports of frost in Brazil affecting the coffee harvest, Colombian coffee exporters have advised the government not to submit to coffee speculators, urging that a cautious policy be followed on coffee sales to world markets. Gilberto Arango Londono, president of the National Coffee Exporters Association, made important statements to this station saying that although the Brazilian frost came as a surprise, we must maintain a policy of continuing with our existing price policy.

Arango said that the Brazilian frost came not only as a surprise, but also created the necessity of following a policy of caution regarding coffee exports. This station asked Arango about the future of the nation's coffee reserves. He replied that they must remain at the present level, adding that an imbalance must not be created which would only cause future problems for the Colombian economy.

Arango insisted that financial caution is at this time more important than any decision and that only future events will determine the continent's coffee situation. He emphasized that we must continue with the present coffee policy because if we change it would destroy Colombia's economy. Finally, he said that there are competent coffee specialists and that although Turbay's economic team has the necessary mechanisms, their decisions will determine success or failure.

MILITARY STUDYING ANTISUBVERSIVE PLAN IN SANTANDER

PA161547Y Bogota Cadena Radial Super in Spanish 1100 GMT 16 Aug 78 PA

[Text] The top Colombian military commands are presently studying the application of a widespread antisubversive plan to cope with the recent guerrilla escalation in Santander. The killing of 12 peasants by guerrillas in Cimitarra alerted the troops, and a combing operation was undertaken immediately to encircle the guerrillas who are reportedly under the command of "Tiro Fijo," a legendary guerrilla leader who had been presumed dead some time ago.

Sources close to the military institute brigade indicated that the military stationed in Santander and the surrounding areas are trying to locate the guerrillas who are hiding in a precipitous mountain region in Santander. Special security measures were ordered by the high military command in different towns in the area to prevent further guerrilla attacks.

AUTHORITIES UNCOVER TERRORIST PLOT IN BOGOTA

PA170200Y Bogota Cadena Radial Super in Spanish 0000 GMT 17 Aug 78 PA

[Text] The arrest by F-2 agents of terrorists Hildebrando Arias Morales and Lionel Gomez Aristizabal uncovered a well-organized subversive plan in this city, according to the F-2 high command. Today, Wednesday, three additional persons were arrested. A youth and two adults told the authorities that they had planned to blow up several police precincts, an Agriculture Ministry building and two residences of government officials.

The names of the three are being withheld until a criminal judge is selected for the case. The five terrorists were turned over to the military institutes brigade. Authorities confiscated a Renault automobile, license plate AJ1488, in which the students were carrying two powerful bombs and a pistol.

PRESIDENT STROESSNER INTERVIEWED ON FUTURE PLANS

PY170010Y Asuncion ULTIMA HORA in Spanish 15 Aug 78 Special Section p 3 PY

[Text] In answer to five questions asked by ULTIMA HORA, President Alfredo Stroessner referred to the past 5 years of his government and to what is expected from the coming years at this important moment in the beginning of a new constitutional period.

ULTIMA HORA asked: Mr. President, what is your assessment of the past 5 years of your government?

[Answer] A stage during which Paraguay, through great achievements, enhanced its will of becoming a sovereign and independent nation free of all extremism. Time and space are not enough to enumerate what has been achieved in all fields and in all national sectors. But there is much more to be done and we will do it because that is the will of our people, whose desires we represent.

ULTIMA HORA then asked: What are the priority projects to be tackled during the 1978-83 constitutional period and the fundamental reasons supporting these projects?

General Stroessner's answer was this: Everything necessary to guarantee the happiness and well being of the Paraguayan people is priority. We have no discrimination. We will continue placing our efforts and our desires at the service of the fatherland. There are no goals. All limitations disappear when the future of the nation is involved.

The dialog then switched to the political field and when ULTIMA HORA asked the president's opinion on the national political situation, he answered:

The country is living in peace and freedom and within order and justice, which are the bases of our democracy. The citizenry can be sure that with patriotism and steadiness, we will keep up our efforts to improve our free republican institutions.

He then added: But it is appropriate to stress that a priority condition within this context is respect for the fundamental laws. We will continue defending their laws zealously and unyieldingly and we will faithfully fulfill them.

ULTIMA HORA asked him: What are the fundamental projects for the Chaco once the great bridge on the Paraguay River begins normal service? The president said that a great future is awaiting the Chaco. This was the president's answer:

The Paraguayan Chaco has been assigned a fundamental role in the nation's life. The productive work of nationals and foreigners has changed the old battlefields into real centers of progress. We will continue building roads, founding new cities, creating new jobs. I would like to have the privilege and chance to see our Chaco within 20 years.... What can be predicted today cannot reflect what we will achieve through a policy that will introduce all the development of modern civilization to this part of our fatherland, which is so dearly loved by Paraguayans.

At the end of the interview, ULTIMA HORA asked: In what sector will the national government place more emphasis during the period which is beginning now? His answer was this:

In all sectors. There are no preferences in my government's work. Paraguay is the sole and exclusive concern--its future and present. I think that and no other is the reason why the great majority of the citizenry decided that I should continue as president of the republic of all Paraguayans for a new constitutional period.

OPPOSITION ISSUES COMMUNIQUE ON STROESSNER'S INAUGURATION

PY162306Y Asuncion ABC COLOR in Spanish 14 Aug 78 p 8 PY

[Text of undated joint communique released by the Febrerista Revolutionary Party, the Christian Democratic Party and the Authentic Radical Liberal Party]

[Text] The Febrerista Revolutionary Party, the Christian Democratic Party and the Authentic Radical Liberal Party address themselves to national and international public opinion to make the following statement as the date of 15 August draws near:

1. The new period which the president will again initiate in continuation of his former periods has become possible through the amendment of Article No 173 of the Constitution endorsed exclusively by the Colorado Party sponsoring the government and establishing the possibility of indefinite reelections. This amendment violates the basic principles of the democratic government system, opens the doors to a system of rule for life and stamps the new presidential period with a definitive illegitimacy of origin.

2. Furthermore, the last national elections were more fraudulent than the preceding ones with the added aggravating circumstance this time that the political parties of the genuine opposition did not participate, which gives more weight to the argument that this new period is de facto and unconstitutional.

3. The state of seige has again been prolonged with the same repeated arguments which no longer convince anyone as one of the many signs that the same abnormal state of things persists as 25 years ago. That exceptional condition, which theoretically is in force only in the capital, is in practice extended throughout the country and is seriously aggravated by keeping in force freedom-killing laws such as No 294/55 and 209/70, which are accompanied by constant displays of arbitrariness and arrogance, congenital attributes of the present political system.

4. It is obvious that nothing has changed or will change under the present system and that democracy will never be possible as long as that government system lasts. Even the ministers remain eternally as a sign of the sclerosis of the regime. This signifies the continuation of political prisoners, deaths and disappearances, exiles, smuggling, illegal enrichment, the poverty of the people, the political discrimination and sectarianism of all public services and, the latest feature, "warnings" and threats which are made against opposition leaders, as in Domingo Laino's case by the interior minister and lately in the case of Anibal Recalde Sosa, president of the Christian Democratic Party by the investigations chief of the police in the capital.

5. The political parties signing this statement call together the Paraguayans so that we will be able, all united, to build a new fatherland with equality, justice, freedom fraternity and democracy which will guarantee the prosperity and happiness of all the inhabitants of our beloved fatherland.

STRIKING MINEWORKERS HOLD DEMONSTRATION IN LIMA

PA142014Y Buenos Aires LATIN in Spanish 1828 GMT 14 Aug 78 PA

[Excerpts] Lima, 14 Aug (LATIN)--No less than 10,000 striking mineworkers paraded today through Lima's downtown sector, but their attempt to gather in front of the presidential palace was thwarted by police. The workers occupied the main thoroughfares for several hours and, during their march, demanded that the government find a solution to the general strike that began 10 days ago to press for the reinstatement of 400 mineworkers dismissed 1 year ago.

The march seriously jammed traffic in the business sector and forced a general closing of stores in view of the possibility of clashes between strikers and police. However, agents of the special services unit succeeded in convincing the workers to heed the ban on rallies at the Plaza de Armas and the workers then marched through adjoining streets. Among the participants in the march were the 2,000 workers who began a "march of sacrifices" on Wednesday in the Andean province of Oroya, some 220 km east [of Lima].

During the march, some leaders told the press that this contingent is part of the 48,000 workers who are on strike. Juan Cornejo, delegate of the workers, said that an appeal has been made to all trade union and popular organizations as well as to leftist groups and progressive priests "to support us in our just struggle." Meanwhile, the meeting scheduled for today between the labor leaders and Labor Minister Jose Garcia Calderon has been suspended. It had been suspended on Friday because the government does not recognize Victor Cuadros as secretary general of the mineworkers federation. Cuadros, who worked at the Toquepala mining center, is among the dismissed workers and has no representative authority, according to the ministry.

This has been the first time the workers have marched through downtown Lima, on other occasions, they have chosen areas outside the business sector to hold their marches. During the march, the mineworkers received expressions of support from the public, which applauded them and showered them with confetti from the windows of public and private offices.

In view of the lack of production, MINERO-Peru Comercial, the state agency in charge of mineral sales, has stopped sales of silver, copper, lead and zinc, claiming "force majeure."

ENERGY MINISTER SAYS MINERS STRIKE GENERATING CHAOS

PA170229Y Paris AFP in Spanish 0019 GMT 17 Aug 78 PA

[Text] Lima, 16 Aug (AFP)--Peruvian Energy and Mines Minister Gen Juan Sanchez said here today that the strike which mining and metallurgical workers began on 4 August is "causing chaos, unrest and anarchy."

Some 40,000 strikers are demanding the reinstatement of several hundred miners dismissed on 1 August, as well as labor amnesty and wage increases. The minister said that the demands of the mining and metallurgical workers are "viable and worthy of attention," but that a high-level dialog is needed to face up to those problems. "I am willing to talk with the miners, but they must return to their jobs because I will not accept intransigent positions," he said.

After affirming that this is a time to think and not to adopt extremist positions, the minister said that the conflict is having negative repercussions abroad. After emphasizing that the International Monetary Fund has already decided to grant loans to Peru, the minister concluded by calling for cooperation to bring the country out of its present crisis.

INTERIOR MINISTER SAYS HE WILL STEP DOWN SOON

PA161914Y Caracas Radio Continente Network in Spanish 1000 GMT 16 Aug 78 PA

[Text] Interior Minister Octavio Lepage has confirmed that President Perez and his party, Democratic Action, have decided that he must step down from the Interior Ministry. He added that the new interior minister will be appointed at any moment.

Lepage said that President Carlos Andres Perez has given preferential attention to border and international problems. He stated this when questioned about statements made by former President Rafael Caldera to the effect that Perez has paid very few visits to the border. Lepage stressed that Perez has approached border and international problems with the country's permanent interests in mind, thus seeking positive solutions to such issues.

When questioned about Caldera's concern over the tendency on the part of some Venezuelans abroad to squander their money, Lepage said that this concern is shared by all conscientious persons. He recalled that President Perez has made appeals for austerity on many occasions.

SIDOR PRESIDENT REPORTS ON GROWTH OF STEEL CONSUMPTION

PA151916Y Caracas Diplomatic Information Service in Spanish 1228 GMT 15 Aug 78 PA

[Text] Caracas, 14 Aug (VENPRES)--In a speech to a group of mining and metallurgy engineers and industrialists, Dr Edgar Marshall, president of Orinoco Mining and Steel [SIDOR], said that "Venezuela currently has a per capita steel consumption of 250 kg. This is one of the highest in America with the exception of the United States."

Marshall explained that if Venezuela's steel consumption is compared with that of the other Latin American countries, Venezuela's is the highest because most of the Latin American countries have an average per capita consumption of 18 kg, but if we compared this with that of countries such as Germany, the United States and Japan, in which the use of steel is between 600 and 800 kg per person. [sentence as received]

The official added that a representative index of the growth of the metal-machinery sector in the country is the increase observed in the consumption of steel during the past decade. Consumption increased from 1.1 million metric tons in 1967 to 3.2 million during 1977. This shows a tripling of consumption in 3 years. [as received]

"This means that the national production for 1990, which will amount to 11 million metric tons of steel, will be worth--based on current prices--20 billion bolivares." He added that 50 percent of this production will be refabricated by the national metal-machinery industry which will increase the value of the production to 60 billion. This figure is one and half times greater than that obtained from the current petroleum revenues.

BRIEFS

MEASURES AGAINST SWINE FEVER--Caracas, 9 Aug (VENPRES)--Agriculture and Livestock Minister Gustavo Pinto Cohen has reported that the Venezuelan Government is taking the necessary measures to prevent the entrance of swine fever into the country. He said that all pork products that passengers bring from abroad will be confiscated at airports and seaports. [Caracas Diplomatic Information Service in Spanish 0625 GMT 10 Aug 78 PA]

HIGH-LEVEL POLITICAL PARTIES COMMISSION TO MEET NEXT WEEK

PA161609Y Panama City LA ESTRELLA DE PANAMA in Spanish 16 Aug 78 pp 1, 18 PA

[Text] National information commission sources indicated today that the high-level commission appointed by the national government to coordinate the functioning of political parties will meet next week with the representatives of those parties.

The meeting in question has been postponed for a few days due to the absence from the country of Foreign Minister Nicolas Gonzalez-Revilla and the chief of government's personal adviser, Dr Romulo Escobar Bethancourt.

Liberals Name Representatives

PA152230Y Panama City LA REPUBBLICA in Spanish 14 Aug 78 p 7A PA

[From "Glosas Vespertinas" column]

[Text] The national Liberal Party leadership has scanned its best members in the interior to select its representatives to the high-level commission that will discuss the subject of political parties with representatives of the national government. Its two chosen representatives are Dr Arnulfo Escalona Rios, young and brilliant lawyer of Chitre, and Dr Cesar Pereira Burgos, a prominent lawyer specializing in international business law. Pereira Burgos lives in Ocu, Herrera Province, and is involved in agroindustrial activities.

POLAND INTERESTED IN ESTABLISHING SHIPYARD IN VACAMONTE

PA122155Y Panama City Circuito RPC in Spanish 1720 GMT 12 Aug 78 PA

[SERCANO Network]

[Text] The Polish Government is interested in installing a shipyard at the Vacamonte fishing port, currently under construction. This port will have the most modern facilities for this type of activity.

National Port Authority Director Arnado Cano received at his office four members of a Polish trading mission who were briefed on the facilities available at the complex.

Poland is interested in establishing a shipyard in Vacamonte with a capacity of up to 3,000 tons. After the meeting, the members of the Polish mission toured the installations of the maritime terminal located some 14 km from the capital.

COSTA RICA

INTERIOR MINISTER ANNOUNCES SECURITY OFFICE CHANGES

PA170329Y Panama City ACAN in Spanish 2026 GMT 16 Aug 78 PA

[Text] San Jose, 16 Aug (ACAN-EFE)--Costa Rican Interior Minister Juan Jose Echeverria announced today, Wednesday, the reorganization of the National Security Office and the creation of a police force that will specialize in the battle against terrorism. He made the announcement before the permanent commissions of the Legislative Assembly.

The new police force will be in charge of cases of terrorism, the defusing of bombs and security at airports to prevent hijackings. Echeverria also announced that police agents will be trained to protect President Rodrigo Carazo Odio.

The minister recalled that in the same week in which he assumed the post in the present administration a bomb exploded in a chicken market, injuring several persons. He also said that anonymous threats are being received constantly announcing bombs planted in homes of ministers and deputies. The threats have not been carried out.

Echeverria said that the changes in the National Security Office are to give this intelligence and information department a civil character.

EL SALVADOR

BPR MEMBERS OCCUPY SCHOOL IN SAN VICENTE

PA161938Y Panama City ACAN in Spanish 1721 GMT 16 Aug 78 PA

[Text] San Salvador, 16 Aug (ACAN-EFE)--On Tuesday, members of the leftist "Popular Revolutionary Bloc" [BPR] occupied the National Institute in San Vicente, 60 km east of San Salvador, it was learned here today, Wednesday.

Security authorities have reported that 10 adolescents entered the school, cut the telephone lines and distributed subversive propaganda. Their tirade was directed toward the creation of a nationwide movement to obtain the release of Pedro Bran, secretary general of the Association of Salvadoran Educators, and other teachers arrested for carrying subversive propaganda.

The BPR members remained in the school for half an hour and left quietly before authorities arrived.

KIDNAP VICTIM REPORTED IN GOOD HEALTH

PA162300Y Panama City ACAN in Spanish 2127 GMT 16 Aug 78 PA

[Text] San Salvador, 16 Aug (ACAN-EFE)--The "Operation Armond Command," which is holding coffee grower and sportsman Armando Tomas Monedero of Santa Ana, revealed today, Wednesday, that he is well. The group, so far unknown in El Salvador, had a recording by Monedero delivered at noon today to "Radio Cadena YSU." In it Mondesero informs Salvadorans that "I am well at this time and have not been badly treated." He thanks those who are concerned and working for his prompt release and expresses hope of being with his family soon.

In a note attached to the recording, "Armond" says the recording is proof that Monedero is in good health and that it will continue to supply information whenever advisable.

Monedero was kidnaped on 10 August in Santa Ana, 66 km from San Salvador, in an operation in which his driver, Jose Bruno Diaz, was shot to death. Unofficial reports say that on the day of the kidnaping his cousin, president of the Salvadoran Tourism Institute, Oscar Monedero, received a note in which "Armond" demanded 2 million colones ($800,000) for Armando's release

A local newspaper says it has spoken with Oscar Monedero, who denied the existence of the note which, according to UN official sources, is already in the hands of the authorities.

PERUVIAN MEDIATOR VISITS PRESIDENT ROMERO

PA160238Y Panama City ACAN in Spanish 2216 GMT 15 Aug 78 PA

[Text] San Salvador, 15 Aug (ACAN-EFE)--Salvadoran President Gen Carlos Humberto Romero said today he is confident of an early agreement with Honduras. He made the statement during a meeting with Peruvian mediator Jose Luis Bustamante y Rivero. Romero said that "the people and Government of El Salvador firmly hope that an agreement will be reached soon with our Honduran brothers."

The mediator arrived at the president's office at noon today as part of his calls on government officials. Bustamante y Rivero said he has observed interest by both parties in finding a solution that will satisfy both countries. Rivero told President Romero that "there is no reason why two neighboring nations which have the same ethnic roots, cutoms and culture should not have relations. I hope that the factors of controversy will disappear very soon," he said finally.

The Peruvian mediator will visit Jose Leandro Echeverria, president of the Legislative Assembly, and Rogelio Chavez, president of the Supreme Court of Justice, tomorrow.

CHRISTIAN DEMOCRATS DENY LINKS WITH FARN

PA162100Y Panama City ACAN in Spanish 1959 GMT 16 Aug 78 PA

[Text] San Salvador, 16 Aug (ACAN-EFE)--The Salvadoran Christian Democratic Party [PDC] today denied that it has any links with the clandestine Armed Forces of National Resistance [FARN].

Recently an alleged high-ranking leader of the "resistance," Augusto Carranza Parada, who was arrested in the eastern city of Usulutan, revealed the identity of leaders of the leftist organization, calling Marianella Garcia Villas, a PDC member, the link between the PDC and FARN.

In a manifesto entitled "Stop the Slander Against Christian Democracy," the PDC national executive committee says "the promoters of this maneuver" will be responsible for any move against the physical or moral integrity of Garcia Villas as a result of these circumstances. It adds that Garcia, like many other lawyers, acts as defense counsel as part of her professional activites "and works according to the constitutional precept that no one can be convicted without being heard and found guilty in a trial."

The PDC leaders also recall the party's democratic ideology, which, they say, makes its political practices different from the groups with which it is being linked. It has been learned here that the PDC has agreed to hold talks with the government to seek a solution to the national crisis.

Others mentioned by Carranza as active promoters of FARN have publicly denied any links with the extremist organization, which has carried out several kidnapings in El Salvador, including that of Fujio Matsumoto, a Japanese executive whose body is being sought on San Jacinto Hill, near the capital, on the basis of information given by the prisoner.

NICARAGUA

CONSTRUCTION WORKERS STAGE SYMPATHY STRIKE

PA152215Y Buenos Aires LATIN in Spanish 2106 GMT 15 Aug 78 PA

[Text] Managua, 15 Aug (LATIN)--Construction workers in this capital stopped work today in solidarity with hospital workers who went on strike 27 days ago in demand for wage increases. Health workers are demanding a 55-percent wage increase. They maintain that the increase in the cost of living over the past year--which was aggravated today by the imposition of a number of consumer taxes and an increase in the general sales tax from 6 to 8 percent--makes a wage increase necessary.

Meanwhile, official sources report that the percentage of deaths in hospitals resulting from the lack of medical attention has increased "to alarming numbers."

The striking health workers include interns and medical students who are practicing in hospitals. The strikers are providing only emergency service.

The taxes that went into effect today were decreed by Gen Anastasio Somoza Debayle's government because of reduced income from other sources, which in turn is the result of the economic recession caused by the political agitation that has kept this country in upheaval since 10 January, when Pedro Joaquin Chamorro, a leader of the opposition and editor of the newspaper LA PRENSA, was assassinated. Meanwhile, in opposition, the Managua Chamber of Commerce publicly urged its members not to pay the new taxes. The Chamber of Commerce is seeking to have the taxes revoked or reduced.

GROUP OF 12 PUBLISHES POLITICAL PROGRAM

PA161220Y Managua LA PRENSA in Spanish 9 Aug 78 p 2 PA

[Text] Since various opinion sectors have expressed concern over what will happen in the country if the dictatorship is eliminated and a democratic change takes place, LA PRENSA deems it advisable, as an information service, to publish parts of the programs of the various organizations that make up the Broad Front, with the intention of attaining a concensus on some of the basic, minimal points with which the democratization process must begin.

Today we publish the minimum program of the movement of "the 12." Later we shall publish the basic points of the Authentic Conservative Party. They were published by us previously but we shall print them again in order to give our readers a complete picture.

1. Abolishing the Somozist dictatorship and all its remnants, including any maneuver which means, or could mean, the continuation of "Somozism without Somoza," in order to proceed to the integral transformation of Nicaraguan society.

2. Creating a national government made up of those sectors which have actually participated in the eradication of the dictatorship and which will set the bases for a new democratic system in the country.

3. Eliminating terror as a system of government; guaranteeing respect for human rights and for the lives and physical and moral integrity of Nicaraguans, as well as for civil rights, labor freedom, freedom of organization and information. All of these must be accomplished on the basis of equality.

4. Eliminating all expressions of administrative corruption such as embezzlement, fraud, swindling, bribery, smuggling, illegal commissions, extortion and disloyalty by government employees to the national interests in their care.

The installation, on the other hand, of absolute administrative honesty that will restore Nicaraguans' trust in moral values.

5. Eliminating the unjust, corrupt and disloyal economic control which the Somoza family has exerted over Nicaragua, turning it into their private property, and by means of the recovery of its properties, businesses and interests create a sector of the national economy to help promote the country's development.

6. Opening for all Nicaraguans a real possibility to improve their standard of living by means of guaranteeing their rights to work, housing, health, education and culture.

7. Carrying out an agrarian reform based on the lands and agricultural interests owned by the Somoza family. The agrarian reform must include regulation of agricultural land leasing in order to avoid usury and speculation. It must be carried out in an integrated manner so that producers receive the technical, educational and financial assistance they need.

8. Placing in the hands of the government the exploitation of all natural resources such as mines, forests, fishing and energy sources.

9. Nationalizing all forms of collective transportation and guaranteeing that bus lines operate with the participation of the users so that their operation, management and methods of service are dignified and humane.

10. Restoring to the country a judicial system that will operate with full guarantees for citizens' rights, rescuing it from the moral prostration and servitude into which the dictatorship has submerged it.

11. Guaranteeing the establishment of a constitutional system to realize a just and democratic society and, for this purpose, drafting an electoral law that will fully guarantee the citizen's right to participate in politics without ideological discrimination and without restrictions on the registration of parties.

[Signed] Emilio Baltodano Pallais, Arturo Jose Cruz, Sergio Ramirez Mercado, Ernesto Castillo Martinez, Joaquin Cuadra Chamorro, Casimiro Sotelo Rodriguez, Fernando Cardenal, S.J. Miguel D'Escoto, Carlos Tunnermann Bernheim, Ricardo Coronel Kautz, Carlos Gutierrez Sotelo

MINISTER ADDRESSES UN CONFERENCE, DENOUNCES RACISM IN U.S.

FL161926Y Havana Domestic Service in Spanish 1802 GMT 16 Aug 78 FL

[Text] Cuban Foreign Minister Isidoro Malmierca today spoke at the UN world conference against apartheid, racial discrimination and colonialism that is being held in Geneva. In his remarks, the Cuban foreign minister denounced the discrimination faced by blacks, Indians, Chicanos, Puerto Ricans, Latin Americans and other minorities in the United States. The Cuban foreign minister added that there are those who proclaim themselves to be apostles of human rights in foreign cases while in their own country they repress these communities.

Later in his speech Malmierca stated that in constrast to its consumer society, there exist valid accusations against the United States because of the exterminated Indian, the discriminated black, the prostituted woman, of humiliation, of contempt and exploitation of great masses of Chicanos, Puerto Ricans and Latin Americans.

In his remarks to the World Conference Against Racism, the Cuban foreign minister stated that those who deceivingly speak about human rights maintain close relations with the racists of South Africa who repress, discriminate and exploit 20 million Africans. The Cuban minister stated that these same standardbearers of human rights supply abundant and sophisticated weapons to the Zionist aggressors who have displaced the Palestinian people from their lands.

He then stated that in some capitalist countries racial discrimination is applied against migratory workers, among others, who do not have social security work protection laws or even equality before the law.

The Cuban foreign minister, in speaking today at the UN World Conference Against Racism, stated that the peoples have the right to choose the ways and means by which to fight to achieve their liberty--including the use of armed struggle. The Cuban minister stated that we have the duty to support them, to contribute to their efforts to prevent false solutions which try to perpetuate racist regimes. Malmierca expressed our solidarity with the national liberation movement struggles of Namibia, Zimbabwe and South Africa and with the heroic combatants of SWAPO, the Patriotic Front and the African National Congress.

The Cuban foreign minister recounted the firm position maintained by the nonalined countries movement in facing the attempts by the colonialist and neocolonialist forces in preventing the peoples of southern Africa from obtaining true independence. In speaking to the World Conference Against Racism, the Cuban foreign minister stated that Cuba places highest priority on eliminating colonialism, neocolonialism and racism, including Zionism and apartheid. The Cuban minister stated that we just as forcefully condemn all forms of racial discrimination.

In another part of his remarks, he denounced the attempts at preventing or blocking the present conference's activities, by pointing to the silence about this world conference by the mass media of the United States and some other West European countries, proving that they persist in this proposal. In this context, the Cuban foreign minister also referred to the United States' absence at the conference which was inaugurated on Monday.

RODRIGUEZ EMPHASIZES NONALINED MEETING'S SIGNIFICANCE

LD170921Y Madrid EL PAIS in Spanish 12 Aug 78 p 5 LD

[Carmen Pereira interview with Vice President Carlos Rafael Rodriguez: "Hegemonism Is a Concept Which Has Yet To Be Defined"--date and place not specified]

[Text] "Hegemonism is a modern phenomenon which has yet to be defined. Imperialism, colonialism and neocolonialism have been defined but the world hegemonism must not be used until it has been incorporated into the official and permanent terminology of the movement of nonalined countries." This was told to EL PAIS by Cuban Vice President Carlos Rafeal Rodriguez.

The Cuban deputy prime minister represented his country at the nonalined countries conference, which ended recently in Belgrade.

"For several months an atmosphere had been created to make international public opinion believe that, in Belgrade, Cuba and its African policy would be put on trial and condemned." According to Carlos Rafael Rodriguez, this was not what happened. "In fact, these accusations were not of primary concern at the conference. Previously, at the Khartoum conference, the forces which tried to impugn Cuba's solidarity with the African countries or to justify the French or U.S. presence in Africa, by using the Cuban presence as a pretext, were defeated in the OAU. This affected those forces, which were paralyzed at the Belgrade conference."

With regard to the distinction which Yugoslav President Tito drew in his speech between imperialism and hegemonism, the Cuban vice president believes that Tito's remarks have been distorted and that his speech can be endorsed by Cuba, "except for the presentation of the African situation, which, at a specific point, the Yugoslav president views through the prism of the struggle between politico-military blocs--something which in our opinion distorts the reality of the African peoples' struggle for their independence."

According to Carlos Rafael Rodriguez, the Yugoslav president stated categorically that nonalinement does not mean neutrality. With regard to the concept of hegemonism he said that at next year's Havana conference an attempt will be made to approach a definition of the concept.

He also said that progress was made at Belgrade toward defining the concept of nonalinement as a movement resulting from the Third World's struggles for its independence, characterized by an anti-imperialist and anticolonialist policy.

Despite the clashes which occurred in Belgrade between countries involved in a mutual conflict (Vietnam and Cambodia, Somalia and Ethiopia, Algeria and Morocco), the Cuban vice president believes that the proceedings at the conference were positive.

"The final document is an acceptable document, but it could have been better. It has certain omissions and contains other, superfluous elements. But no document at a conference of this kind can be perfect. I believe that the fact that the movement has not been weakened indicates a strengthening. Nevertheless, there are violent disputes among certain countries which must be resolved, but the fact that there was no 'apocalypse' and that there was overwhelming consensus on holding the next conference in Havana and that the final document was approved by consensus proves that the Belgrade meeting constituted an important event for the nonalined movement," the Cuban vice president concluded.

GUZMAN OUTLINES GOVERNMENT POLICIES AT INAUGURATION

FL161815Y Santo Domingo Domestic Service in Spanish 1513 GMT 16 Aug 78 FL

[Speech by President Silvestre Antonio Guzman at his inauguration in the National Congress Building, Santo Domingo--live]

[Excerpts] Mr President of the National Assembly; Your Excellency Omar Torrijos, chief of government of the Republic of Panama [applause]; Your Excellency Dr Joaquin Balaguer [applause] former president of the republic; Your Excellency dean of the diplomatic corps on special mission; civilian and military authorities; distinguished invited officials of the Dominican Revolutionary Party; ladies and gentlemen; Dominican people:

The last presidential transfer of power from a losing to a winning candidate took place exactly 100 years ago. In 1878 President Cesareo Guillermo turned power over to Ignacio Maria Gonzalez. This fact demonstrates the great significance of this transfer of power for strengthening democracy in our nation since, after a century of stormy political history characterized by the weakness of our institutions, this solem ceremony opens the way to beautiful and promising prospects for our institutional order. This event should serve to reinforce the Dominican people's faith in the benefits derived from the democratic system because our people experienced, and with good reason, moments of great skepticism in the face of governments which essentially denied the principles that serve as the basis for our social order.

The people today are witnessing a ceremony which means that the people's sovereign will has been respected, at least in many of the aspects on which it is based. I hope God will help me to make a contribution so that future periodic elections will be normal events in the life of the nation, without the slightest alteration of activities in national life.

It is appropriate to recall the events that culminate today although leaving it to history to judge the events and the men who participated in the process. After 12 years of Reformist [party] government we began the electoral campaign which--and we must admit it--developed in a climate of relative tranquillity but was characterized by an increasingly stronger polarization of two options: the Reformist Party and the Dominican Revolutionary Party. The Dominican people then had the opportunity of seeinghow the Reformist Party unscrupulously used all the resources of the state in its effort to continue heading the government. [applause]

On the other hand, the effort, honesty, spirit of sacrifice and idealism of the Dominican Revolutionary Party shined brightly as the national hope. [applause] Despite everything, it never doubted its electoral victory, a victory achieved as a result of the support of the great majority of the Dominican people. Nevertheless, there has been an attempt to tarnish this victory by pointing out that we won through electoral fraud. What sensible person can imagine that a party which had been in the opposition since 1963 had the means and resources to commit fraud in an election? [applause] The charge served as the pretext for the unconstitutional decision of the highest electoral tribunal by virtue of which the senatorial seats for the Provinces of Bauruco, La Altagracia, Maria Trinidad Sanchez and El Seibo were taken away from the Dominican Revolutionary Party, thanks to some fraudulent mathematical calculations and a capricious assignment of uncast ballots.

The unfortunate procedure consisted of adding a percentage of the votes to the Reformist Party which, in this way, obtained a majority in those provinces, although the votes cast in the ballot boxes had given the victory to the candidates of the Dominican Revolutionary Party. [applause]

The situation of uncertainty created by the massive purge by the party which today passes into the opposition generated a period of economic recession and negative repercussions for the immediate future of the country. We therefore must feel satisfied that we were able to overcome with a great civic spirit the stumbling blocks that emerged to obstruct the strengthening of democracy in our country.

It is essential to say, and I do so without trying to accuse anyone, that a grave moral and institutional crisis has been experienced in our country in recent years. [applause] This situation has generated, as the chief manifestation [of the crisis], the enormous administrative corruption which the outgoing government itself has had the courage to recognize. The time has come for men to be rewarded for their devotion to work and service to the fatherland and their fellow citizens and not with benefits derived from their lust for wealth or their ability to enhance his private capital with funds of the public treasury or by the trafficking in the influence which power gives. [applause]

As far as the economy is concerned, it is fair to recognize that it has enjoyed years of prosperity in the recent past, especially due to the high prices of sugar, coffee, cacao and gold. The high income that these exports generated for the treasury and the foreign exchange obtained were primarily used to finance big projects in the urban and rural infrastructure and to beautify certain cities. However, some state enterprises were neglected, such as the State Sugar Council, Dominican Electricity Corporation and other state corporations and enterprises.

For several years this country attained high rates of economic growth and the private sector responded to the incentives of fiscal and finance banks created to guide investment toward certain sectors. This process helped expand a middle class which must make a strong contribution to our future development. However, this growth did not benefit the lower income groups due to the wage freeze in the public sector, neglect of public services such as health, social security and education, the almost total absence of maintenance in public works, neglect of our people in rural areas, and shortages of food and farming raw materials as a result of an incorrect agrarian policy which did not promote production. Furthermore, our public administration has been disorganized due to excessive concentration of decisions and, at the same time, lack of economic policy coordination between the institutions and organizations responsible for Dominican economic activity.

All this means that since 1975 our economic growth has slowed down because the demand of our domestic market has not increased significantly, the prices of our principal export goods, with the exception of gold, have been dropping, and the effectiveness of the state as administrator of public affairs has decreased. The aforementioned situation must not be a reason for uncertainty or pessimism. I have faith in the honest men and women of our country who are willing to make their contribtution toward achieving a more promising future for our children. [applause] In this regard, I propose, as leader of the administration which begins today, to direct all our efforts toward the achievement, above all, of true institutionalization. As I have mentioned on previous occasions, to achieve this goal it is necessary to establish alternation in government and, therefore, the principle of no reelection should be incorporated in the constitutional precepts. [applause] Moreover, it is necessary to strengthen the powers of the state. In this regard, as chief of the executive branch, I must emphasize that the functions of the government must be carried out through a joint effort of the legislative branch, judicial branch and executive branch. [applause]

Just as I promised during the electoral campaign, we will form a national unity government because the best men in this country, without distinction of political groups, will be represented in the cabinet and state organizations.

This action, by setting aside political partisanship, guarantees that the activities and decisions of government will result from a fruitful diversification of knowledge, ideas and potential for the general interest and common well-being. The unity of all sectors in national life toward common views and purposes to enhance the fatherland should not be confused with postelection party alliances. In other words, true national unity is above political parties. [applause]

As president of all Dominicans it is now up to me to find new solutions to old problems. We have ahead an essentially two-fold task beginning today: To give dynamism to the economy so that at the same time the well-being of our nation is improved. To achieve this we will try to expand our domestic market and decisively promote our exports to create a demand for national products which will result in increased production and, therefore, increased investments and jobs in the national productive sector.

In order to expand the domestic market we are planning to improve public services, the operation of government programs and maintenance of public works and, in that way, provide opportunities for Dominicans who want to serve the fatherland. We likewise believe that it is necessary that construction, public and, if possible, private works provide more jobs than that achieved so far, by using more workers and less heavy equipment as long as the nature of the works allow it. Increased farm production should also be attained to improve the status of farmers, for their benefit and that of the rest of the Dominican people.

Our exports will be increased by offering incentives of various types and financing in order to make our products competitive abroad, since we are certain that markets do exist. To identify such markets it is necessary that our diplomatic corps be at the service of our exports. And to be able to maintain such markets it is necessary that we be able to fulfill the contracted commitments for acceptable levels of quality.

At the same time that we give incentives to the national producer to expand production, we will watch domestic prices and costs to preclude undue inflationary pressures and we will watch our balance of payments so as to avoid harmful effects on our monetary currency. I also believe that the state must pay more attention to the mining and petroleum sectors by increasing well-supervised prospecting for possible deposits and then add exploitation of those reserves to our resources to fully benefit the country.

It is clear that changes in direction of the economic policy require dedication and sacrifices from all participants and that the state will require additional income in the future to tackle its new obligations. [applause] Furthermore, I firmly believe that the time has come to pay greater attention to agriculture, which is so necessary for the well-being of all Dominican people, especially when we consider that our country essentially lives off the land. I repeated throughout the electoral campaign that it is necessary to give dynamism to this important sector of national life. Through our agrarian policy we plan to initiate a real, scientific and just agrarian reform. In other words, it will not consist of simple distribution of land guided by essentially political and partisan criteria. The prevailing criterion for the selection of settlers will be, above all, their proven love of the land. We also conceive agrarian reform as something that should be accompanied by a fair credit policy toward the sectors that have more to do with production, that is, the middle level and small producers, so that they have the necessary resources available to them at the proper time.

In the field of public health my government will spare no effort to make medical services--based first on continuous preventive medicine programs followed by medical attention--reach the most isolated regions.

Another of our goals in this field is the reorganization, reduction and updating of the social security system administered by the Dominican Social Security Institute, in order to guarantee efficient service to its participants and retirees.

I have already said in previous speeches that the future of our youth is made in the present. That is why we need to adjust education according to the demands of economic, social and cultural development. My government, which begins today, will promote education as a function of development. But to do this it is necessary that existing programs be executed efficiently and that schools be furnished with the equipment, material and human resources required for their best operation. It will be our goal and concern to progressively expand and improve preschool education and augment general education, to coordinate technical and general education, to improve rural primary schools so as to guarantee to the rural population the same educational opportunities that are available in the cities, and to reorganize technical education, keeping in mind the characteristics of the labor force and the foreseeable human resources needs for our development plans. The country's universities can feel assured that we will always be open to frank dialog for the purpose of offering a significant contribution to the extension and improvement of higher education. [applause]

As a complement to the government's educational activity and for the recreation of the entire population, it is necessary to pay more attention to sports. In this regard we propose to establish a policy for maintaining existing sports installations. The construction of new installations will be aimed at providing the residents of neighborhood communities with the benefits deriving from the practice of sports, always paying special attention to the rural areas.

My government's housing policy will be directed toward the construction of low cost housing since I believe that it is the only way to effectively contribute to reducing our enormous housing shortage. It is inconceivable that the government should become involved in the construction of luxurious and costly residences and apartments. It would be a distortion of the goal which the state should pursue in this type of social initiative.

Everything that is done to develop our economic and social potential requires the existence of an honest, competent, active and dynamic public administration. As I have pointed out on previous occasions the public administration must be an instrument of development, and not an obstacle to the latter. For these reasons, I have advocated decentralization of the public administration, allowing us to simplify and invigorate administrative transactions. I have also advocated reassessment of the status of civil servants. To this end, we will study the possibilities of mechanisms to establish civil service and administrative careers. [applause] Public officials and employees, as I explained earlier, must be characterized by strict fulfillment of their duties and, above all, honesty in performance of their duties. I will take strong action in those cases in which administrative corruption is proven. [applause] That is why we demand that the highest public servants give a sworn statement on their assets upon assuming their positions.

On this day--the anniversary of the restoration of the republic, a patriotic day when our invincible troops were full of glory on the battlefields and recovered national sovereignty--I want to reaffirm my firm purpose, as commander in chief, to push for the institutionalization of the armed forces and national police [applause], respect their status, defend their integrity, continue and expand their professionalization, and improve the standard of living of the unselfish men who serve the nation with dedication, unselfishness and patriotism in their sacred mission of guaranteeing our independence as supporters of national sovereignty and preservers of public order. [applause]

Consistent with our respectful adherence to the law, nationally as well as internationally, I want to make it clear that the Dominican Government will reliably fulfill all its international commitments and will enforce all signed treaties and conventions, including the United Nations and Organization of American States charters.

Our country's foreign policy will be based on the principles of nonintervention in the domestic affairs of other nations, international cooperation and mutual respect between states. We also want to affirm our bonds of friendship and cooperation with the nations that are so worthily represented at this memorable occasion as a demonstration of solidarity with our people.

The subject of human rights has acquired a new dimension. The time when human rights were considered isolated to narrow territorial limits of specific states has passed. Human rights are a common patrimony of mankind. By virtue of the indivisible and solidary nature of human rights, their violations in a specific country have repercussions in other countries and represent an offense to all men. [applause] I propose to apply rigorously the precepts and norms which establish [protection of] those rights as the principal obligation of the state under the terms of our basic law, which I quote: The effective protection of the rights of the human being and the maintenance of the means which help him advance within a system of individual freedom and social justice that is compatible with public order, the general well-being and the rights of all. Unquote. In order to assure the strictest respect for such rights, during my presidential term and as chief of the executive branch I plan to submit for the consideration of the National Congress a draft bill calling for the creation of a constitutional rights tribunal. [applause]

I regret that it is impossible for me today to grant the pardons that I am authorized to grant to citizens imprisoned in our jails. [applause] It has been materially impossible to make use of the regular mechanisms for this action. The initial phase consists of preparation of a list of inmates with the prerequisites for a pardon which the attorney general of the republic submits to the executive branch for study and decision. It is also up to the director general of immigration to make an evaluation of the status of persons prohibited from returning to the country and to submit it for the consideration of the president of the republic.

The work of conciliation and development at this time and under the present circumstances require from each citizen of this land work, sacrifice, patience, patriotism and, above all, great faith in God and in the capability of the Dominican people to overcome difficult moments as they have on so many occasions. [applause]

My government is fully aware of its historic responsibility, which is shared equally by the opposition parties, especially the Reformist Party. I appeal to all opponents to reject unproductive crises and adjust their attitudes and activities within a constructive spirit and one that reflects existing canon law.

It is fair that I recognize that the victory that we have obtained in the ballots and the way in which we have been able to call for respect for our rights are due to the way in which our country exercises freedom of the press, a fundamental work of a democracy. I cannot let this opportunity pass without also recognizing the enormous and valuable contribution of His Excellency Dr Joaquin Balaguer [applause] to the observance of this historic and peaceful transfer of presidential power.

It must also be recognized that infrastructure projects of enormous value for the future development of our nation were initiated during thelast years of his administration. Those projects will be completed and existing ones maintained as they deserve to be.

Before concluding I want to make special mention of the unselfish men and women of the Dominican Revolutionary Party [applause], a party and membership with a clean history of sacrifice and heroism, which has contributed so much to the establishment and strengthening of democracy in this country. Thanks to the might and organization of this political institution and to the good sense and idealism of its members, we are opening new horizons in Dominican political life. Far from feeling satisfied with the hard work done to date, we must not let up. We must continue working for the well-being of all Dominicans with generosity, love and unselfishness.

Allow me now to pay homage to the venerable memory of the forefathers of our homeland--Duarte, Sanchez and Mella--and, with my thoughts on the sacrosanct book of the Gospels that appears opened in the center of our national shield, to pray to the Almighty and to our spiritual mother--the Virgin of the Altagracia--to fill our people with blessings and to illuminate our decisions so that I can fulfill the solemn oath I have sworn and thereby contribute to forging an increasingly more prosperous and happy fatherland. Thank you very much. [applause]

PRESIDENT GUZMAN'S NEW CABINET ANNOUNCED

PA162012Y Madrid EFE in Spanish 1951 GMT 16 Aug 78 PA

[Text] Santo Domingo, 16 Aug (EFE)--Antonio Guzman Fernandez, the new president of the republic, today swore in the members of his new cabinet shortly after assuming power. The ceremony took place in the Ambassadors Room of the presidential palace, located in this capital, and the list of ministers who will work with the new chief of state is as follows:

Armed Forces	Lt Gen Rafael Adriano Valdez
Interior and Police	Vicente Sanchez Baret
Foreign Relations	Vice Adm Ramon Jimenez Reyes
Finance	Manuel Jose Cabral
Education, Fine Arts and Worship	Julio Cesar Castanos Espaillat
Agriculture	Hipolito Mejia
Public Works and Communications	Rafael Corominas Pepin
Labor	Cesar Estrella Sadhala
Public Health and Social Welfare	Jose Rafael Soldevila
Industry and Commerce	Ramon Baez Romano
Sports, Physical Education and Recreation	Jesus de la Rosa
Minister Without Portfolio	Milton Rey Guevara
Minister Without Portfolio	Hector Inchaustegui Cabral (Guzman's personal secretary)
Administrative Minister of Presidency	Jose M. Hernandez
Technical Minister of Presidency	Leopoldo Espaillat Nanita

Other New Appointments

FL162320 [Editorial Report FL] Santo Domingo Domestic Service in Spanish at 2230 GMT on 16 August carries reports of civilian and military personnel changes made by the new president, Antonio Guzman, today. The new appointments include the following:

(Fernando Fernandez Naranjo), attorney general of the republic; Vice Adm Francisco Amiama Castillo, chief of the navy general staff; Col (Octavio de Jesus Jorge Pichardo), promoted to brigadier general and named deputy chief of the air force; Brig Gen Romero Matos Gonzalez, commander of the "First Brigade"; Maj Gen (Reinoso Estrella Sadhala), commander of the Army Second Brigade, with headquarters in Santiago; and Hauuey de Camps, temporary director of Radio Television Dominicana. Santo Domingo Domestic Service further reports that the president has confirmed Gens Enrique Perez y Perez and Robinson Brea Caro as army chief of staff and national police chief, respectively.

SUBSCRIPTION INFORMATION

DAILY REPORT volumes are published Monday through Friday in both paper version (mailed daily) and microfiche version (mailed weekly). The annual subscription fee for the paper version within the United States, Canada, and Mexico is $150 for any one volume and $50 for each additional volume. This includes occasional supplements. In microfiche the fee is $100 for any one volume, $125 for two volumes, $150 for three, $200 for four, $250 for five, $300 for six, $350 for seven, and $400 for all eight volumes. Foreign subscriptions outside North America are available from appointed foreign dealers or from NTIS. For information contact NTIS. U.S. government officials may obtain subscriptions at no charge directly from FBIS. Phone 527-2368 (area code 703) or write P.O. Box 2604, Washington, D.C. 20013.

The volumes are: I - People's Republic of China; II - Eastern Europe; III - Soviet Union; IV - Asia & Pacific; V - Middle East & North Africa; VI - Latin America; VII - Western Europe; VIII - Sub-Saharan Africa. Back issues or single copies are not available. Allow 30 days for processing new subscriptions. Mail remittances, inquiries, and address changes to the NTIS address below.

Note: The publications of the Joint Publications Research Service (JPRS), which are sometimes cited in the DAILY REPORT, can also be ordered from NTIS in single copies or by subscription. In ordering, please cite the JPRS title, number, date and author if applicable.

Both the DAILY REPORT and JPRS publications are on file for public reference at the Library of Congress and at public and university libraries throughout the United States.

NTIS

National Technical Information Service
U. S. DEPARTMENT OF COMMERCE
Springfield, Virginia 22151

90
50